

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814
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September 30, 1982

ALL-COUNTY LETTER NO. 82-100

TO: ALL COUNTY WELFARE DIRECTORS
ALL COUNTY WELFARE FISCAL OFFICERS
ALL COUNTY AUDITORS
ALL COUNTY ADMINISTRATIVE SERVICE OFFICERS

SUBJECT: COUNTY WELFARE ADMINISTRATIVE EXPENSE CLAIM

REFERENCE:

This is to provide claiming instructions for the July-September 1982 quarter. Included are instructions related to: County Welfare Department EDP Costs and the Emergency Assistance Program.

Additionally, included are a notice to discontinue time-studying for Staff Development (DFA 50) during the month of October and a reminder of the 18 month limitation on claiming for Medi-Cal.

The following forms are to be used for the July-September 1982 quarter claim and are forwarded to counties separately:

<u>FORM</u>	<u>REVISION DATE</u>	<u>FORM</u>	<u>REVISION DATE</u>
DFA 325.1	7/82*	DFA 327.8A	7/82*
DFA 325.1A	7/81	DFA 327.8B	7/82*
DFA 325.2	7/81	DFA 327.8C	7/82*
DFA 325.3	10/81	DFA 327.8D	7/82*
DFA 325.4	1/81	DFA 403	7/82*
DFA 327.1	7/82*	DFA 50	7/79
DFA 327.2	7/82*	DFA 419	7/81
DFA 327.3	4/82	DFA 394	10/81
DFA 327.4	1/82	DFA 43	4/82
DFA 327.5	10/81	DFA 46	4/82
DFA 327.6	7/82*	DFA 47	7/82*
DFA 327.7	7/82*	DFA 323	7/82*
DFA 327.8	7/82*	DFA 856	4/82

*Indicates revisions this quarter.

Electronic Data Processing (EDP) Costs

I. CWD-EDP Support Costs

All-County Letter 82-10 provided counties with instructions for claiming CWD costs to the EDP Support Pools effective with the July-September 1982 quarter. Accordingly, the DFA 325.1 has been revised to include maintenance and operation CWD Personal Services (Group II.D.1.a) and Operating Costs (Group II.D.1.b) in the Allocable EDP Support Category. However, the Non-Allocable EDP-Single Function Development Category (Group II.E) has not been revised to separately identify CWD-EDP Developmental and Improvement costs on the DFA 325.1. Instead, counties are instructed to distinguish CWD costs from direct billed costs on the DFA 325.1A within the appropriate project account pursuant to instructions provided by the SDSS County Information Systems Approval Bureau.

In addition, it appears that the definition of CWD Personal Services costs to be included in the EDP Support Pools requires clarification. Specifically:

- A. "Primary function" is defined as performing EDP activities, as specified in All-County Letter 82-10, more than 50 percent of an individual CWD employee's time. One hundred percent of the salaries and benefits of "primary function" CWD-EDP staff is to be claimed to the appropriate EDP Support Pool.
- B. Salaries and benefits of CWD staff performing activities that are "supportive" of EDP; i.e., EDP systems liaison; EDP work order preparation and processing; etc., are not to be included in the EDP Support Pools. These costs are to remain in the Allocable Support Pool (Group II.A).

II. Claiming EDP Equipment Acquisition Costs

Section 28-105(e)(2) of the SDSS Manual of Policies and Procedures stipulates that prior review and written approval from SDSS is required for the acquisition of EDP equipment. Whether the EDP equipment is acquired independently or in support of an EDP system development or enhancement project, the County Information Systems Approval Bureau assigns an account number to enable costs to be controlled to the approved level of state and federal funding.

Given this, the following provides guidelines for claiming EDP acquisition costs:

- A. Acquisition costs for EDP equipment that is not directly attributable to a mainframe EDP system and is used for a general administrative function shall be claimed to Group II.B.2, Allocable Support, Other Operating Costs. These costs are not to be identified to a project account number on the DFA 325.1A. However, for field audit purposes, counties are instructed to maintain documentation of the expenditures to the specific project account as assigned.

- B. Recurring acquisition costs (depreciation, lease payments, etc.) of EDP equipment directly attributable to a mainframe EDP system and associated with a direct program, multi, or single function development project are to be claimed, as approved, to the account number established by the SDSS County Information Systems Approval Bureau and identified on the DFA 325.1A.

At the time the EDP system, for which the equipment was acquired, becomes fully operational, ongoing lease payments or depreciation of the EDP equipment shall be claimed to the appropriate Allocable EDP Support Pool; i.e., CWD-EDP, Operation Costs (Group II.D.1.b) or Direct Billed, Maintenance and Operations (Group II.D.2.a).

- C. Expenditures for EDP equipment acquired by either purchase, lease-purchase, or lease with an option to purchase may be expensed when the unit cost of the EDP equipment is \$5,000 or less.
- D. Expenditures for EDP equipment acquired by either purchase, lease-purchase, or lease with an option to purchase must be depreciated in accordance with Internal Revenue Service (IRS) standards when the unit cost of the EDP equipment is in excess of \$5,000.
- E. Expenditures for EDP equipment acquired via a straight lease must be claimed based on the actual lease payments made to the lessor.

Emergency Assistance Program

The Emergency Assistance (EA) Program was implemented July 1, 1982. A detailed program description of the EA Program and its two program components, Unemployed Parent (EA-UP) and Abused, Neglected, or Exploited Children (EA-ANEC), are provided in All-County Letter (ACL) 82-67.

Allowable social service direct costs are enumerated in ACL 82-67 and are to be coded EA-ANEC when claimed on the DFA 325.3.

NOTE: Instructions in footnote 24 on DFA 327.8 (7/82) are incomplete and should read as follows:

Total Expenditures - DFA 327.7, Line T, Column 3 + DFA 327.6, Line S, Column 1
 Federal Funds - DFA 327.7, Line T, Column 4 + DFA 327.6, Line S, Column 2
 State Welfare Funds - DFA 327.7, Line T, Column 6 + DFA 327.6, Line S, Column 3
 County Welfare Funds - DFA 327.7, Line T, Column 7 + DFA 327.6, Line S Column 4

Staff Development - NOTICE

The federal agency responsible for reviewing and approving California's claiming system for administration has recently required modifications to the time study and claiming for staff development. Effective October 1, 1982,

discontinue use of DFA 50 (7/79). A revised form DFA 50 will be available by November 1, 1982. Time study and claiming instructions will be sent out in a separate letter. The time studies for November and December will be used to allocate staff development costs for the December quarter.

Medi-Cal Claiming - Reminder of Claiming Time Limitation

Section 14153 of the Welfare and Institutions Code has been amended by the trailer bill to the Budget Act of 1982 to read, in part, "county welfare departments may submit administrative claims no later than 18 months after the close of the quarter in which the costs were paid." Therefore, in order to receive reimbursement for Medi-Cal activities, counties should ensure that the administrative claims which affect Medi-Cal are submitted within this time frame.

Nonfederal AFDC-FG/U

As provided in ACL #82-03, effective October 1, 1981 the county administrative claim was revised to allocate 33 percent of the administrative costs of the nonfederal AFDC-FG/U Continuing and Quality Control to the NAFS program. Beginning with the July-September 1982 quarter the DFA 327.8A and 327.8D have been revised to convert 33 percent of the nonfederal AFDC-FG/U continuing and Quality Control staff to NAFS to align with the transfer of 33 percent of the nonfederal costs.

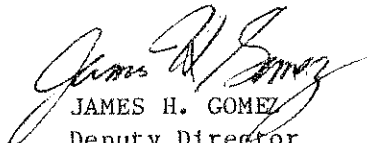
Claiming Form Changes

The changes are detailed below:

1. DFA 325.1 Expenditure Schedule and Certification adds a line each for personal services and operating costs for County Welfare Department Allocable Electronic Data Processing (EDP).
2. DFA 327.1 Social Services Program Distribution adds a line for Emergency Assistance - Abused, Neglected, or Exploited Children (Line S).
3. DFA 327.2 Eligibility and Nonservice Program Distribution adds a line (Q) for Emergency Assistance - Abused, Neglected, or Exploited Children.
4. DFA 327.6 Social Services Fund Distribution Report adds a line (S) for Emergency Assistance - Abused, Neglected, or Exploited Children and re-orders footnotes. The federal fund column for the Refugee Resettlement Program - Non-OCSS is deleted.
5. DFA 327.7 Eligibility and Nonservice Non-Federal Fund Distribution Report adds a line (T) for Emergency Assistance - Abused, Neglected, or Exploited Children.
6. DFA 327.8 Total Expenditures Fund Distribution Report adds a line for Emergency Assistance - Abused, Neglected, or Exploited Children.

7. DFA 327.8A AFDC/NAFS EW and Staff Cost Distribution, formerly DFA 327.8C, Part 1, Columns 6 and 7 have been added to allow transfer of 33 percent of the nonfederal AFDC-FG/U Continuing and Quality Control staff to NAFS. Part 3, modification A and B have been established to convert 33 percent of nonfederal AFDC Continuing and QC staff to NAFS.
8. DFA 327.8B Cost Distribution Report, formerly DFA 327.8A, Part 3, Total AFDC state share, has been moved to the DFA 327.8C, Part 3.
9. DFA 327.8C AFDC and EA Staff and Cost Distribution Report, Parts 1 and 2 have been added for Emergency Assistance staff and cost distribution.
10. DFA 327.8D NAFS Staff/Cost Distribution Report, formerly DFA 327.8B and 327.8C, Part 1, Columns 6 and 7 have been added to incorporate the transfer of 33 percent of the nonfederal AFDC Continuing and QC staff to NAFS. Part 2 has an additional line for costs associated with FS administrative hearings.
11. DFA 403 Reallocation of Time Studies to Allocable Salary Pools Section D, Column III added for CWD EDP support staff.
12. DFA 47 Social Services Time Study Summary and Program Allocation Ratios adds a line (S) for Emergency Assistance - Abused, Neglected, or Exploited Children.
13. DFA 323 Eligibility Time Summary and Program Allocation Ratios adds a line (Q) for Emergency Assistance - Abused, Neglected, or Exploited Children.

All questions concerning this letter should be directed to the Fiscal Policy and Procedures Bureau at (916) 445-7046 or ATSS (8) 485-7046.


 JAMES H. GOMEZ
 Deputy Director
 Administration

cc: CWDA